GOVERNMENT OF INDIA
DEVELOPMENT OF NORTH EASTERN REGION
LOK SABHA

UNSTARRED QUESTION NO:580
ANSWERED ON:21.11.2007
INVESTMENTS POTENTIAL OF IT INDUSTRY IN NER
Subba Shri Moni Kumar

Will the Minister of DEVELOPMENT OF NORTH EASTERN REGION be pleased to state:

(a) whether in a sectoral summit by the DONER in September this year, an assessment was made about the investment potential of the IT industry in the North-East;

(b) if so, the estimated assessment about the investment made so far in the IT industry in the North-Eastern Region (NER) and potential for further investment opportunities in the Region; and

(c) the steps recommended by the sectoral summit and the response of the Union Government thereto?

Answer

MINISTER MINISTRY OF DEVELOPMENT OF NORTH EASTERN REGION(SHRI MANI SHANKAR AIYAR)

(a): The 7th Sectoral Summit of the North Eastern Council was held at Kohima, Nagaland on 31st July and 1st August 2007 to discuss issues pertaining to 'Information Technology, IT-enabled services and Telecommunications' in the NER. In the Summit, it was recognised that the North-East Region is rich in English-speaking and educated manpower which forms the backbone of the ITeS-BPO industry in the country. As the personnel costs of the IT industry in the rest of the country are going up, the NER, with comparatively low wages, should be in a position to attract IT companies. It was also indicated that the IT industry should take advantage of this highly talented resource. However, no specific assessment was made about the investment potential of the IT industry in the North Eastern Region.

(b): Recognizing the potential of the Region, the Ministry of Development of North Eastern Region has entered into a Memorandum of Understanding (MOU) with M/s National Association of Software and Service Companies (NASSCOM) for administering the Assessment of Competence Test for 20,000 undergraduate youth of the Region. This will be a certification and benchmarking programme for employment in the IT-industry. Rs. 3.5 crore have been sanctioned for this programme. Besides this, the Ministry of DoNER is also providing funds to the unemployed youth of N.E. States in IT skills through the Department of Electronics Accreditation to Computer Courses (DOEACC) and other Government institutions. The North Eastern Council, in the current financial year, has allocated Rs. 7.50 crore for IT and IT-related services in its budget. It has already released approximately Rs. 3.10 crore till date.

(c): The following conclusions with regard to the IT sector were arrived at during the 7th Sectoral Summit:

The North-East States should endeavour to develop themselves into preferred IT destinations by creating an enabling environment with appropriate policy intervention and PPP models.

The IT industry should not be misled by the false portrayal of the North-East as a Region beset with terrorism and insurgency. The fact is that large swathes of the Region have an impeccable law and order situation. The Ministry of DoNER and the NE States should take appropriate measures to dispel such a notion from the minds of potential investors.

Quality infrastructure should be created to position the Region as an attractive and viable destination for the IT industry.
The States should give the highest importance to the use of IT to lift the quality of life of their people, particularly in the rural areas. The States should take appropriate measures for the promotion of local entrepreneurship in IT. A scholarship-based system of identifying, nurturing and promoting IT talent should be introduced. The North-East Region should position itself to become the back office for the Southeast Asian and East Asian countries.
The IT industry is likely to have a much lower attrition rate in the Region as the people are generally attached to their heritage. The States and NASSCOM may highlight this crucial aspect which is becoming a major concern of the industry.
The State Governments are unable to find resources for running the Community Information Centres (CICs) and are requesting the extension of the status-quo for a few more years. Further, questions were raised regarding the viability of converting the CICs into Common Service Centres (CSCs) at many places. It was agreed that the Department of Information Technology should take into account the concerns of the states before taking a final decision. The DOEACC, an autonomous society of the Department of Information Technology, has centres at Aizawl, Imphal, Tezpur (with extension centres at Guwahati and Kohima). Such centres should be established in all the States of the Region. The Government should work towards a One India Plan for Bandwidth so that the North-East States do not suffer from this handicap. The IT and Higher Education Departments in the NE States should extend requisite support to NASSCOM for the NASSCOM Assessment of Competence in IT Skills. They should remain fully involved with the whole process since it has long-term implications for employment, training and modification of curriculum. NEC and North Eastern Regional Educational Council should sensitize the Vice-Chancellors of Universities and College Principals for orienting eligible students

towards appearing in the National Assessment of Competence (NAC). There is a plan to set up an Indian Institute of Information Technology (IIIT) at Dimapur to cater to the needs of the North Eastern Region for which the Government of Nagaland has agreed to provide land.